



Senate

General Assembly

File No. 220

February Session, 2016

Substitute Senate Bill No. 320

Senate, March 24, 2016

The Committee on Veterans' Affairs reported through SEN. FLEXER of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING CHARITIES SOLICITING ON BEHALF OF VETERANS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 27-100f of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2016*):

3 (a) On or before July 1, 2012, the Department of Veterans' Affairs
4 shall publish on the department's Internet web site an informational
5 page listing any benefits, services or programs offered to veterans or
6 their families by any state or federal agency, department or institution.
7 The department shall maintain the informational page after said date
8 and shall update the informational page annually. The department
9 shall publish on the informational page any information concerning
10 the eligibility requirements and application process for such benefits,
11 services or programs, the name and contact information of any entity
12 offering such benefits, services or programs, and a link to the Internet
13 web site for such entity.

14 (b) (1) On and after July 1, 2013, the Commissioner of Veterans'
15 Affairs, or the commissioner's designee, shall, within available
16 appropriations, publish a list of qualified veterans' charitable
17 organizations. The commissioner [shall place any qualified veterans'
18 charitable organization on] may place upon such list for a period of
19 three years any organization that (A) holds itself out to be established
20 for any benevolent, educational, philanthropic, humane, scientific,
21 patriotic, social welfare or advocacy purpose relating to or on behalf of
22 veterans, and (B) has been (i) a nonstock corporation, incorporated
23 pursuant to chapter 602 or any predecessor statutes thereto, for three
24 or more years, or (ii) a tax exempt organization under Section 501(c) of
25 the Internal Revenue Code of 1986, or any subsequent corresponding
26 internal revenue code of the United States, as amended from time to
27 time, for three or more consecutive years. Such list shall be cross-
28 referenced with the registry of charitable organizations maintained by
29 the Department of Consumer Protection pursuant to section 21a-190b.

30 [Organizations] (2) Any such organization may apply and reapply
31 to the commissioner for inclusion on [the] such list by submitting
32 information regarding such organization's status to the commissioner,
33 on a form prescribed by the commissioner, and any additional
34 information the commissioner deems necessary to determine whether
35 such organization constitutes a qualified veterans' charitable
36 organization. [A qualified veterans' charitable organization is one
37 which: (1) Holds itself out to be established for any benevolent,
38 educational, philanthropic, humane, scientific, patriotic, social welfare
39 or advocacy purpose relating to or on behalf of veterans; and (2) has
40 been (A) a nonstock corporation, organized under chapter 602, or any
41 predecessor thereto, for three or more years, or (B) a tax exempt
42 organization under Section 501(c) of the Internal Revenue Code of
43 1986, or any subsequent corresponding internal revenue code of the
44 United States, as amended from time to time, for three or more
45 consecutive years.] In making such determination, the commissioner
46 shall consider the following, including, but not limited to: (A) Charity
47 accountability standards; (B) the ratio of charitable activity
48 expenditures to fundraising and administrative expenditures; (C)

49 violations of chapter 419d and regulations established pursuant to said
 50 chapter; and (D) any information provided to the Department of
 51 Veterans' Affairs by such organization. If the commissioner approves
 52 such organization's application, the commissioner shall include such
 53 organization on such list as a qualified veterans' charitable
 54 organization.

55 (3) The list of qualified veterans' charitable organizations, a link to
 56 [such] each qualified veterans' charitable organization's Internet web
 57 site, [and the qualifications for inclusion on such list set forth in
 58 subdivisions (1) and] the qualifications set forth in subdivision (1) of
 59 this subsection and the commissioner's considerations for inclusion on
 60 such list set forth in subdivision (2) of this subsection, shall be
 61 published on the informational Internet web site established in
 62 subsection (a) of this section and shall bear a disclaimer as follows:
 63 "This list is prepared for the public solely for the purpose of
 64 information. The state of Connecticut provides no warranty about the
 65 content or accuracy of the content herein."

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2016	27-100f
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Statement of Legislative Commissioners:

In Section 1(b)(1)(B)(i), "more than three years" was changed to "three or more years", "organized under" was changed to "incorporated pursuant to" and "statutes" was inserted after "predecessor" for accuracy and consistency; and in Section 1(b)(3), "link to such organization's" was changed to "link to each qualified veterans' charitable organization's" for clarity and "subsection (a) of" was inserted after "web site established in" for clarity.

VA *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill allows the Department of Veterans' Affairs (DVA) to publish a list of qualified veterans' charitable organizations online, within available appropriations. As the bill is permissive, and does not require the agency to publish said list, there is no fiscal impact.

Under the bill, an eligible organization may apply to DVA for inclusion on the list, but the agency is not required to analyze the application. Should it choose to analyze applications, it must take into consideration new factors under the bill. Factors include the ratio of charitable activity expenditures to fundraising and administrative expenditures. It is anticipated that, without additional resources, DVA will not analyze applications for inclusion on the list.

The Out Years

State Impact: None

Municipal Impact: None

Sources: CT Department of Veterans' Affairs website, "Charitable Veteran Organization Information," available at <http://www.ct.gov/ctva/cwp/view.asp?a=1992&q=557898>

OLR Bill Analysis**sSB 320*****AN ACT CONCERNING CHARITIES SOLICITING ON BEHALF OF VETERANS.*****SUMMARY:**

By law, the Department of Veterans' Affairs (DVA) commissioner must, within available appropriations, publish a list of qualified veterans' charitable organizations. This bill allows, rather than requires, him to place a charitable organization on this list. It also requires him to consider additional factors in determining whether to list an organization. If he approves an organization that applied for inclusion, he must place it on the list. By law, an approved organization remains on the list for three years with an option to apply to renew.

By law, DVA must publish on its website, among other things, the list of qualified veterans' charitable organizations, the qualifications required for inclusion, and links to such organizations' websites. The bill requires DVA to also publish the additional factors for list inclusion established by the bill.

It also requires the DVA commissioner to cross-reference the DVA's list with the list of registered charitable organizations maintained by the Department of Consumer Protection.

As under existing law, a "veterans' charitable organization" is a person, firm, or corporation that (1) is or claims to be established for a benevolent, educational, philanthropic, humane, scientific, patriotic, social welfare, or advocacy purpose for or on behalf of veterans and (2) has been a nonstock corporation for three or more years or a federal tax exempt organization for three or more consecutive years.

EFFECTIVE DATE: October 1, 2016

NEW CONSIDERATION FACTORS

The bill requires the DVA commissioner to consider the following factors before placing a veterans' charitable organization on the list:

1. charity accountability standards,
2. the ratio of charitable activity expenditures to fundraising and administrative expenditures,
3. violations of the Solicitation of Charitable Funds Act and corresponding regulations, and
4. any information provided to DVA by such organization.

BACKGROUND

Solicitation of Charitable Funds Act

The Solicitation of Charitable Funds Act prohibits charities from engaging in financial transactions that (1) are not related to accomplishing the organization's charitable purpose or (2) jeopardize or interfere with their ability to accomplish the purpose (CGS § 21a-190h). It also prohibits a charity from, among other things:

1. inappropriately spending donations,
2. misrepresenting its purpose or the solicitation's beneficiary, and
3. spending an unreasonable amount of money for solicitation or management (CGS § 21a-190h).

Anyone who knowingly commits a violation is subject to a fine of up to \$5,000, imprisonment for up to one year, or both. Also, the consumer protection commissioner may, among other things, revoke or suspend the registration of a charity that violates any of these provisions (CGS § 21a-190l).

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable

Yea 15 Nay 0 (03/08/2016)